

EXHIBIT C

Fwd: ATSCO



Rich Goodman <RGoodman@pfina.com>
10/29/2014 at 08:35 PM

From: Rich Goodman <RGoodman@pfina.com>
Sent: 10/29/2014 at 08:35 PM
To: Muething, Brian P. <bmuething@KMKLAW.com>
Cc: Joe Molino <JMolino@pfina.com>

FYI

Begin forwarded message:

From: Joe Molino <JMolino@pfina.com>
Date: October 29, 2014, 7:53:47 PM EDT
To: Richard Horowitz <rah@pfina.com>, Rich Goodman <RGoodman@pfina.com>, "Steven J. Kuperschmid (skuperschmid@silvermanacampora.com)" <skuperschmid@silvermanacampora.com>
Subject: FW: ATSCO

Joseph A. Molino, Jr.
Vice President and COO
P&F Industries, Inc.
(631) 694-9800

-----Original Message-----

From: Rick Sabath [mailto:sabathrick@gmail.com]
Sent: Wednesday, October 29, 2014 6:50 PM
To: Joe Molino
Subject: Fwd: ATSCO

Begin forwarded message:

From: Rick Sabath <sabathrick@gmail.com>

Subject: ATSCO

Date: October 29, 2014 9:07:01 AM EDT

To: jmolino@pfina.com

Joe,

That is exactly what I am telling you. I had a couple liquidity events this past year and it tied me to my phone and email for a few months(which has never been my typical mode of operation) However, I have always tried to keep from being saddled to the phone or email to any large extent and do not use voicemail at all (people leave a voicemail then apply redundant text or email with the same message and it robs time from my day, so I stopped using it all together.

Tad received the letter Friday and I as soon as he got ahold of me, I emailed you.

As a practical matter, according to Tad, it appears its been a total of two weeks in communication. In all fairness, we are not saving lives for a living and I fail to see enormous urgency in any matter. Given the months and months of delay in closing your acquisition of my company and more recently your company had a nearly two month delay in taking inventory after closing, seemed to indicate a lack of urgency on the part of Hytech.

I frankly had been inundated with calls and emails to such an extent I changed my cell number. Now that I am off the email server at ATSCO, the amount of unsolicited emails, spam etc is simply ridiculous that comes thru GMAIL and the like. I have over 1000 unread emails, so please don't take it personal.

Call me at your convenience or send any communication to this email. I will check it again today and tomorrow to insure I don't miss your communication.

Regards,
Rick

Begin forwarded message:

From: Joe Molino <JMolino@pfina.com>
Date: October 28, 2014 at 2:51:38 PM EDT
To: Rick J Sabath <rsabath@quantarus.com>
Subject: RE: ATSCO

Rick:

Rick I have never had a problem when we have spoken directly as I have found you reasonable, and I am happy to have a conversation, but I need you or your lawyer to acknowledge our communications. I have your correct phone number and email address as well as Tad's. I am sorry If you feel the legal letter was over the top, but what are we supposed to think when you never respond to two emails and a phone call to you and the same to Tad over a two week period.

All of this prior to legal letter. Are you telling me that the first you are hearing of this after six communications prior to the legal letter is the legal letter itself? Yes, I would very much like to discuss several inventory issues and one AR issue. When are you available?

Regards,

Joe

Joseph A. Molino, Jr.
Vice President and COO
P&F Industries, Inc.
(631) 694-9800

-----Original Message-----

From: Rick J Sabath [mailto:rsabath@quantarus.com]
Sent: Tuesday, October 28, 2014 2:28 PM
To: Joe Molino
Subject: ATSCO

Joe,

I received a disturbing letter from one of your attorneys concerning potential litigation.

While I'm not clear what we are litigating, it would be helpful to discuss.

If your folks have conducted any homework on me, they certainly would know I have an enormous amount of litigation experience and it's never concerning to me or threatening. I would prefer to simply talk to you about any issue as we always have since we met.

I thought we had a very good relationship and did not know we were fighting about anything.

Please call me to discuss your concerns.

My cell is 980.297.5767

Note the last four digits of my cell number changed from the time of the closing.

Regards,

Rick

Fwd: Inventory Acknowledgement etc.



Rich Goodman <RGoodman@pfina.com>
10/29/2014 at 08:36 PM

From: Rich Goodman <RGoodman@pfina.com>
Sent: 10/29/2014 at 08:36 PM
To: Muething, Brian P. <bmuething@KMKLAW.com>
Cc: Joe Molino <JMolino@pfina.com>

📎 6 Attachment(s) Total 839.2 KB View ^

- 📎 ATSCO Inventory Acknowledgment-10162014163458.pdf (77.4 KB)
- 📎 ATT00001.htm (146.0 byte(s))
- 📎 V20 100214 ATSCO INVENTORY ROLL BACK TO 08-14-14 AFTER RE-COUNT.xlsx (679.0 KB)
- 📎 ATT00002.htm (146.0 byte(s))
- 📎 V13 090514 ATSCO WIP VALUE ROLL 081414 TO 090514 AFTER PHYSICAL AND REVIEW.xlsx (82.4 KB)
- 📎 ATT00003.htm (98.0 byte(s))

FYI

Begin forwarded message:

From: "Joe Molino" <JMolino@pfina.com>
To: "Rick Sabath (sabathrick@gmail.com)" <sabathrick@gmail.com>
Cc: "Rich Goodman" <RGoodman@pfina.com>
Subject: FW: Inventory Acknowledgement etc.

Rick:

I am resending what I had sent formally on the 16th. I had tried to reach you by phone prior to that, but now understand you never got those messages. Please ignore the formality of the letter and focus on contents if you could. Regarding the delay in taking inventory, as I am sure you are aware we were in a pretty big hole when we took over and we were trying to balance customer needs against getting this done. In addition, issues with the rollback and the investigation of many discrepancies slowed us down. There is a lot to get through here. To get to the working capital adjustment, we need this resolved first.

I encourage you to speak to anyone in Mentor you need to and I am happy to have a call with several parties at once to get all of the facts straight. I don't have an agenda, I just want this wrap-up to be accurate. Let me know you got this and maybe sometime tomorrow you can assess how much time you need to look into this. I am not rushing you, just need to know timing. Just so you have it, my direct dial in the office is (631) 773-4210 and my cell of course is (631) 383-2038. As with you, I see texts before I see anything else after hours.

Regards,

Joe

Joseph A. Molino, Jr.
Vice President and COO
P&F Industries, Inc.
(631) 694-9800

From: Joe Molino
Sent: Thursday, October 16, 2014 4:51 PM
To: Rick Sabath (rsabath@quantarus.com)
Cc: tad@cooksadorf.com
Subject: Inventory Acknowledgement etc.

Rick:

Hope you are well. Attached is the required Inventory Acknowledgement per the APA. I look forward to hearing from you.

Best Regards,

Joe Molino

Joseph A. Molino, Jr.
Vice President and COO
P&F Industries, Inc.
(631) 694-9800

FW: ATSCO HOLDINGS CORP LETTER

**Joe Molino** <JMolino@pfina.com>

11/11/2014 at 02:35 PM

From: Joe Molino <JMolino@pfina.com>
Sent: 11/11/2014 at 02:35 PM
To: Rich Goodman <RGoodman@pfina.com>, Muething, Brian P. <bmuething@KMKLAW.com>
Cc:

Rich/Brian:

Here is a response from Rick Sabath to our letter finally. A further conversation has taken place. I will update you shortly.

Regards,

Joe

Joseph A. Molino, Jr.
Vice President and COO
P&F Industries, Inc.
(631) 694-9800

-----Original Message-----

From: Rick Sabath [mailto:sabathrick@gmail.com]
Sent: Friday, November 07, 2014 5:51 PM
To: Joe Molino
Subject: ATSCO HOLDINGS CORP LETTER

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> Joe,

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> As I wrote to you very soon after closing, the way in which Hytech handled the closing and transfer caused me great concern. Many which have caused and will continue to cause problems for you and your company, some of which is evident in your letter addressed to me on October 16.

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> I have provided full disclosure and clearly answered any and all questions throughout diligence and specifically and in detail as it relates to several items you address in your letter. I have not had the time to research all of the items. However, I am in complete disagreement with your portrayal of the inventory.

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> 1. We supplied you complete and comprehensive inventory in detail nearly 4 or 5 months prior to your desire to close the transaction and completion of diligence. All of the inventory was completely accounted for and has been audited by the companies auditors as well as by your own auditors only weeks before closing. We have experienced very little variance EVER in our inventory in recent years and remain confident in its accuracy. We

had very specific conversations in Diligence about inventory and your own folks came thru and spent several hours in the plant going thru the items on the shelves and asking about specific processes and SKU's. etc. Further your people spent hours discussing the same with Key employees prior to closing.

> Over the the many months of diligence, obviously I was not privy to your internal work and analysis and the work papers your folks produced in analyzing all of the items in our inventory list. However we assume you were diligent doing the necessary work to insure you knew what you were buying. It was made to clear to me on several occasions that Bob Ober "knows" every part and product extremely well.

>

> 2. ATA Inventory. This inventory is contained on the inventory documents provided in the beginning and remained throughout Diligence. Additionally, I had a specific and lengthy discussion with Bob Ober in the Stock room during one of his diligence trips prior to closing-as we discussed (the ATA tool program, the work we go thru to sell the tools, specific accounts where we had sold the product, the conflict we each had with the VP of ATA, named Mike Jones, the fact that we make and often convert tools from one dimensional size to a more common USA market size to accept certain wheel sizes, etc..) This product line and the inventory was always in Plain sight and intimately discussed and properly represented.

>

> I was consistent throughout my presentation of the company, We moved our focus to making tools for companies, NOT selling and marketing directly to end users the types of tools like ATA. Bob made it clear , you have distribution throughout the world and market tools like ATA and in fact have sold ATA tools. The ATA inventory has opportunity to move in latin America, but the grater market is UK and Eastern Europe, where they have had a significant a presence. I have no idea what your thoughts were prior to buying the company and the plan for the various product classes, but your company and its representative specifically performed diligence on this product class prior to closing and accepted it.

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> 3. AS-88 and AS-44. The Air Sledge units were also present on all inventory documentation provided in Diligence. In fact, it is the single most expensive SKU contained on the inventory list. It is the single most expensive product ever produced and sold by the company and we enjoyed selling this product for \$15-\$33,000 each over the years. This was also discussed in length with Bob Ober. The product remains viable and in many parts of the world, a manual process of swinging sledge Hammers is still employed and the AS-88,44 product is a replacement. From time to time we would get an inquiry and I expect you will as well, moreover, I expect a company with the size and reach of P&F should not have a problem finding a home for the two products left in inventory nor will I be surprised if you continue to manufacture the units in larger quantity for foundries across your global reach.

>

> 4. Columbus Steel Casting. I just read in the Columbus Dispatch, they are expanding and growing and committed to hire 500 new people. I called there myself Spoke with Purchasing Manager and verified. Please explain

>

> 5. I will need specific details on the Torcup parts of concern. I have very little faith in parts quantities and accounting at this point given the mass debacle performed during the inventory count. Please advise how we produced defective parts, based upon brief description, many components as described can be fixed at a fraction of the cost while maintaining complete integrity.

>

> Final note: The lack of a transition team and supervision at the company has caused many more concerns. I remain baffled that Bob called the employees together on day one and informed them the plant will be shut down and the closet job is in Pittsburgh, then left for the rest of the week without having a tenured company employee of P&F or HYtech on site.

> Disgruntled employees and former employees only add to a discomfort while unmanaged employees looking for new jobs are walking daily throughout the shop and have access to an enormously valuable asset like inventory. I fail to believe the proper care and concern for inventory has been taken.

> Performing inventory count without using Mike, Mike and Nick who are intimately familiar with the stocking system and understand where alternate and overflow locations exist(among other problems) --would insure total accuracy and should have been involved to rectify any concerns and variances.

> I am available to discuss in more detail, please advise.

> Regards, Rick

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